

**SOUTH SUMMIT CEMETERY DISTRICT
STATE OF UTAH
BASIC FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION
WITH COMPILATION REPORT
YEAR ENDED DECEMBER 31, 2006**

SOUTH SUMMIT CEMETERY DISTRICT

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ACCOUNTANT'S COMPILATION REPORT

February 6, 2007

Board of Commissioners
South Summit Cemetery District
Kamas, Utah

Gentlemen:

I have compiled the accompanying financial statements of the governmental entities and each major fund of South Summit Cemetery District, component unit of Summit County, Utah (District) as of and for the year ended December 31, 2006, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The management's discussion and analysis and budgetary comparison schedule are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. I have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.


Greg Ogden,
Certified Public Accountant

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the South Summit Cemetery Maintenance District, we offer readers of the cemetery district's financial statements, this narrative overview and analysis of the financial activities of the South Summit Cemetery District for the year ended December 31, 2006. We encourage readers to consider the information presented here in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The total net assets of the District at December 31, 2006 was \$361,742.
- The total net assets of \$361,742 is made up of \$202,495 in capital assets net of related debt and \$159,247 in unrestricted net assets.

REPORTING THE DISTRICT AS A WHOLE

This discussion and analysis is intended to serve as an introduction to the South Summit Cemetery Maintenance District's basic financial statements. The cemetery district's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

The government-wide financial statements are designed to provide readers with a broad overview of the South Summit Cemetery District's finances, in a manner similar to a private-sector business.

- *The statement of net assets* presents information on all of the cemetery district's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the South Summit Cemetery District is improving or deteriorating. However, you will also need to consider other non-financial factors.

- *The statement of activities* presents information showing how the cemetery district's net assets changed during the fiscal year reported. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the South Summit Cemetery District's assets exceed liabilities by \$361,742.

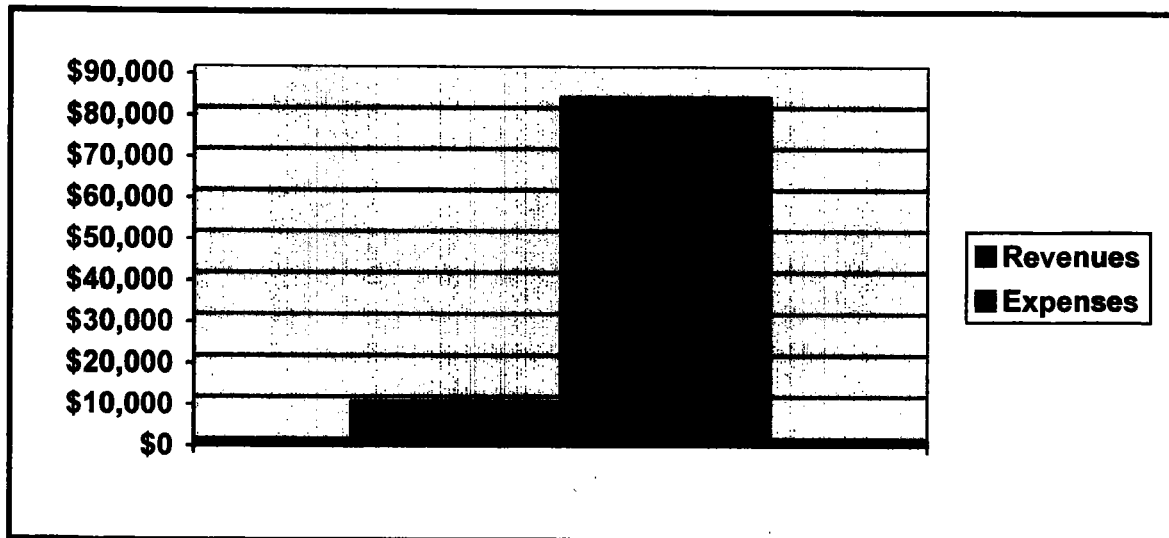
The largest portion of the South Summit Cemetery Maintenance District's net assets (56%) reflects its investment in capital assets (e.g., land, buildings). The District uses these capital assets to provide services; consequently, these assets are not available for future spending.

STATEMENT OF NET ASSETS (In dollars)	<u>2006</u>	<u>2005</u>
Current and Other Assets	\$ 165,249	\$ 142,915
Capital Assets	<u>360,571</u>	<u>336,006</u>
TOTAL ASSETS	<u>525,820</u>	<u>478,921</u>
Other Liabilities	6,002	4,428
Long-Term Debt Outstanding	<u>158,076</u>	<u>230,000</u>
TOTAL LIABILITIES	<u>164,078</u>	<u>234,428</u>
Investment in Capital Assets, Net of Related Debt	202,495	126,006
Unrestricted	<u>159,247</u>	<u>118,487</u>
TOTAL NET ASSETS	<u>\$ 361,742</u>	<u>\$ 244,493</u>

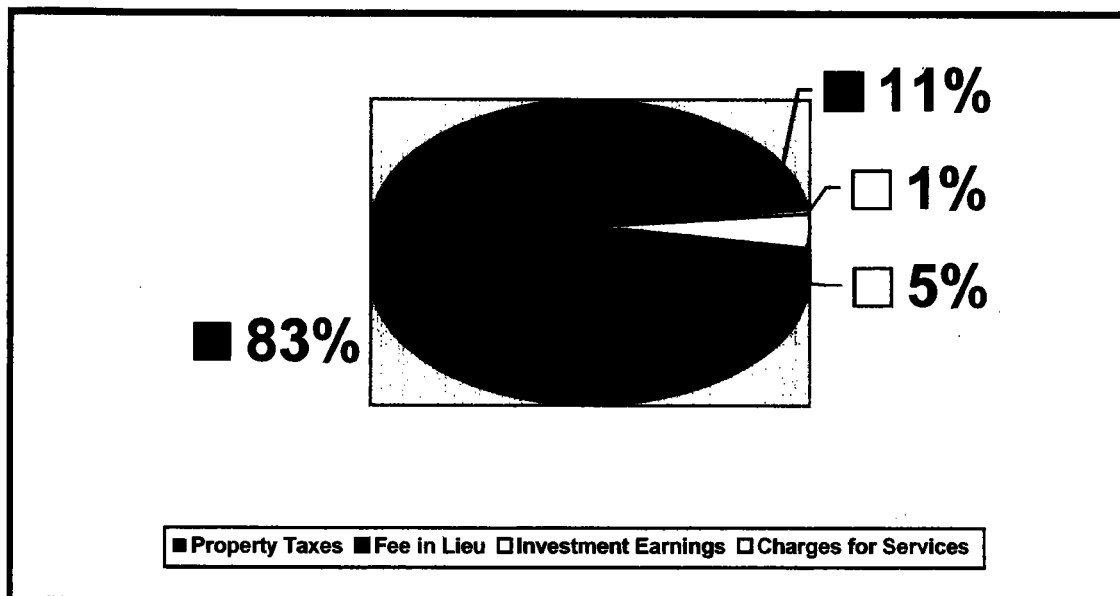
CHANGES IN NET ASSETS (In dollars)	<u>2006</u>	<u>2005</u>
PROGRAM REVENUES		
Charges for Services	\$ 9,050	\$ 3,725
GENERAL REVENUES		
Property Taxes	167,267	165,998
Fee in Lieu	22,467	8,286
Unrestricted Investment Earnings	<u>1,111</u>	<u>816</u>
TOTAL REVENUES	<u>199,895</u>	<u>178,825</u>
Cemetery Expenses	<u>82,646</u>	<u>84,598</u>
TOTAL EXPENSES	<u>82,646</u>	<u>84,598</u>
CHANGE IN NET ASSETS	117,249	94,227
BEGINNING NET ASSETS	<u>244,493</u>	<u>150,266</u>
ENDING NET ASSETS	<u>\$ 361,742</u>	<u>\$ 244,493</u>

The following graph displays the government-wide activities for governmental activities reflected in the above tables.

South Summit Cemetery Maintenance District Expenses and Program Revenues



Revenue by Source



As can be seen from the preceding charts, the South Summit Cemetery Maintenance District relies heavily on property taxes for most of their revenue (83%).

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds. Major capital asset events during the current fiscal year included the following:

- Land acquisition for new cemeteries
- Repair on roads
- Fence upkeep
- Sprinkling system in the North Bench Cemetery

The long-term liabilities of the District are not due and payable in the current period and, therefore, are not reported in the funds. The loan to the Summit County Treasurer for repayment on a tax refund to Amoco Oil Company was repaid this year. The District purchased land for a new cemetery, the North Bench Cemetery. The debt of \$210,000 is payable to Zion's Bank in yearly installments. We are now working to repay that debt.

NEXT YEAR'S BUDGET

The South Summit Cemetery Maintenance District's budget for the year ending December 31, 2007, will reflect an increase in revenue. We had to raise our budget to accommodate the revenue we received due to the increase in our property tax rate in 2006.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the South Summit Cemetery Maintenance District's finances for all those with an interest in their finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to:

South Summit Cemetery Maintenance District
P.O. Box 782
Kamas, Utah 84036



BASIC FINANCIAL STATEMENTS

SOUTH SUMMIT CEMETERY DISTRICT

STATEMENT OF NET ASSETS

DECEMBER 31, 2006

	<u>Governmental Activities</u>
<u>ASSETS</u>	
CURRENT ASSETS	
Cash in Checking and Interest	
Bearing Investments	\$ 146,499
Taxes Receivable	<u>18,750</u>
TOTAL CURRENT ASSETS	<u>165,249</u>
NONCURRENT ASSETS	
Capital Assets	
Non Depreciable	255,273
Depreciable Assets (net of Depreciation)	<u>105,298</u>
TOTAL NONCURRENT ASSETS	<u>360,571</u>
TOTAL ASSETS	<u>525,820</u>
<u>LIABILITIES</u>	
CURRENT LIABILITIES	
Payroll Taxes Payable	<u>6,002</u>
TOTAL CURRENT LIABILITIES	<u>6,002</u>
NONCURRENT LIABILITIES	
Due Within One Year	18,894
Due in more than One Year	<u>139,182</u>
TOTAL NONCURRENT LIABILITIES	<u>158,076</u>
TOTAL LIABILITIES	<u>164,078</u>
<u>NET ASSETS</u>	
Investment in Capital, Net of Related Debt	202,495
Unrestricted	<u>159,247</u>
TOTAL NET ASSETS	<u>\$ 361,742</u>

See the accompanying notes to the financial statements and accountant's report

SOUTH SUMMIT CEMETERY DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2006

		<u>Program Revenues</u>			Net (Expense)
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	Revenue and
	<u>Expenses</u>	<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	Changes in
<u>FUNCTIONS/PROGRAMS</u>			<u>Contributions</u>	<u>Contributions</u>	<u>Net Assets</u>
Governmental Activities					Governmental
Cemetery	\$ 82,646	\$ 9,050	\$ -	\$ -	Activities
Total Governmental Activities	\$ 82,646	\$ 9,050	\$ -	\$ -	(73,596)
		General Revenues			
		Property Taxes			167,267
		Fee in Lieu			22,467
		Unrestricted Investment Earnings			1,111
		Total General Revenues			190,845
		Change in Net Assets			117,249
		Net Assets - Beginning			244,493
		Net Assets - Ending			\$ 361,742

See the accompanying notes to the financial statements and accountant's report

SOUTH SUMMIT CEMETERY DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

DECEMBER 31, 2006

	<u>General</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 146,499
Taxes Receivable	<u>18,750</u>
 TOTAL ASSETS	 <u>\$ 165,249</u>
 <u>LIABILITIES AND FUND EQUITY</u>	
<u>LIABILITIES</u>	
Accounts Payable	\$ <u>6,002</u>
 TOTAL LIABILITIES	 <u>6,002</u>
 <u>EQUITY</u>	
Unreserved	<u>159,247</u>
 TOTAL FUND EQUITY	 <u>159,247</u>
 TOTAL LIABILITIES AND EQUITY	 <u>\$ 165,249</u>

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS

TOTAL GOVERNMENTAL FUNDS BALANCES	\$ 159,247
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Amounts reported for governmental activities in the statement of net assets are different because

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds	360,571
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds	<u>(158,076)</u>

TOTAL NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 361,742</u>
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See the accompanying notes to the financial statements and accountant's report

SOUTH SUMMIT CEMETERY DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2006

REVENUES

Taxes	\$	167,267
Fee in Lieu		22,467
Sales of Cemetery Lots		9,050
Interest Income		1,111
TOTAL REVENUES		199,895

EXPENDITURES

General and Administrative		
Salaries and Wages		20,573
Payroll Taxes		3,148
Other General and Administrative		2,039
Cemetery Expenses		
Supplies		13,386
Gas and Oil		4,251
Capital Outlay		35,281
Principal and Interest Payments		84,440
Repairs		3,100
Mileage Reimbursement		2,350
Snow Removal		3,865
Other Operating Costs		3,042
Water		
Oakley Town		192
Marion Water Works		300
Washington		309
Weber River Water Users		1,099
Francis		480
Stevens		247
Other		15
Electricity		
Marion Cemetery		207
Peoa Cemetery		626
Woodland Cemetery		185
TOTAL EXPENDITURES		179,135
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		20,760
BEGINNING FUND BALANCE		138,487
ENDING FUND BALANCE	\$	159,247

See the accompanying notes to the financial statements and accountant's report

SOUTH SUMMIT CEMETERY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006

EXCESS OF REVENUES OVER EXPENDITURES - GOVERNMENTAL FUNDS \$ 20,760

*Amounts reported for governmental activities in the statement of activities
are different because*

Governmental funds report capital outlays as expenditures. In the statement
of activities the cost of those assets is allocated over their estimated useful
life as depreciation expense. This is the amount by which capital outlays
exceeded depreciation in the current period. 24,565

Issuance of long-term debt provides current financial resources to
governmental funds. The repayment of the principal of long-term debt
consumes the current financial resources of governmental funds. This
amount is the net difference in the treatment of long-term debt and related
items. 71,924

CHANGE IN NET ASSETS OF GOVERNMENTAL FUNDS **\$ 117,249**

See the accompanying notes to the financial statements and accountant's report

SOUTH SUMMIT CEMETERY DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u> <u>Amounts</u>	<u>with Final</u> <u>Budget</u>
<u>REVENUES</u>				
Taxes	\$ 155,000	\$ 155,000	\$ 167,267	\$ 12,267
Fee in Lieu	7,000	7,000	22,467	15,467
Sales of Cemetery Lots	5,500	5,500	9,050	3,550
Interest Income	<u>4,500</u>	<u>4,500</u>	<u>1,111</u>	<u>(3,389)</u>
 TOTAL REVENUES	<u>172,000</u>	<u>172,000</u>	<u>199,895</u>	<u>27,895</u>
 <u>EXPENDITURES</u>				
General and Administrative	24,500	24,540	25,760	(1,220)
Cemetery Expenses	<u>74,900</u>	<u>74,900</u>	<u>153,375</u>	<u>(78,475)</u>
 TOTAL EXPENDITURES	<u>99,400</u>	<u>99,440</u>	<u>179,135</u>	<u>(79,695)</u>
 EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES				
	\$ 72,600	\$ 72,560	\$ 20,760	\$ (51,800)

See the accompanying notes to the financial statements and accountant's report

SOUTH SUMMIT CEMETERY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the South Summit Cemetery District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of the District's accounting policies.

Reporting Entity

The South Summit Cemetery District was formed in 1950 pursuant to Utah Code Annotated Title 8 section 8-1-2 for the purpose of providing for the creation and maintenance of the Peoa Cemetery, Oakley Cemetery, Stevens Cemetery, Marion Cemetery, Kamas Cemetery, Francis Cemetery and Woodland Cemetery located in Summit County, Utah. The District is controlled by a Board of Directors and is a component unit of Summit County.

The accounting policies of South Summit Cemetery District conform to generally accepted accounting principles as applicable to governmental units.

Government-wide and Fund Financial Statements

The government-wide financial statements (statement of net assets and statement of activities) report information on all of the non-fiduciary activities of the District. Governmental activities are supported by charges for services, contributions and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include 1) charges to customers who directly benefit from goods or services provided by a given function or activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Interest and other items not properly included among program revenues are reported as general revenues.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Financial resources used to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term debt of the District are reported as a reduction of the related liability, rather than as an expenditure in the government-wide financial statements.

NOTE 1 - (CONTINUED)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter (within sixty days) to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt-service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Earned but unreimbursed state and federal grants associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues are considered to be measurable and available only when the District receives cash.

The District reports the following governmental fund:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

Assets, Liabilities and Fund Equity

A. Cash and cash equivalents

Cash includes cash on hand, demand deposits with banks and other financial institutions, and deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts. The District's investment policy allows for the investment of funds in time certificates of deposit with federally insured depositories and other investments allowed by the State of Utah's Money Management Act. Investments are reported at fair value.

Cash equivalents are defined as short-term highly liquid investments that are both readily convertible to known amounts of cash and so near maturity that they present insignificant risk of changes in value because of changes in interest rates. Investments with maturities of three months or less, when purchased, meet this definition.

B. Capital assets

Capital assets, which include land, improvements and equipment are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$200 and an estimated useful life in excess of one year. Such assets are recorded at historical cost, if purchased, and at fair market value at the date of the gift, if donated.

Major additions are capitalized, while maintenance and repairs which do not improve or extend the life of the respective assets, are charged to expense.

Capital asset depreciation is recognized using the straight-line method over the estimated useful lives as follows:

<u>Classification</u>	<u>Range of Lives</u>
Improvements	5-50 years
Equipment	3-20 years

NOTE 1 - (CONTINUED)

C. Net assets

Net assets represents the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net assets of governmental activities in the government-wide statement of net assets. This difference primarily results from the long-term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheets.

Capital Asset Differences

When capital assets (land and improvements) are purchased or constructed for use in governmental fund activities, the costs of those assets are reported as expenditures in the governmental funds. However, those costs are reported as capital assets in the statement of net assets. The details of these differences are presented below:

Land	\$ 255,273
Improvements	308,823
Equipment	174,693
Less Accumulated Depreciation	<u>(378,218)</u>
Net Capital Asset Difference	<u>\$ 360,571</u>

Long-Term Liability Differences

Long-Term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund balance sheet. All liabilities (both current and long-term) are reported in the statement of net assets. The details of these differences are presented below:

Note Payable - Zions	\$ (158,076)
Net Long-Term Liability Difference	<u>\$ (158,076)</u>

NOTE 2 - (CONTINUED)

Explanation of certain differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund financial statements include a reconciliation between changes in fund balances in the governmental funds and changes in net assets in the government-wide statement of activities. This difference primarily results from the long-term economic focus of the statement of activities versus the current financial resource focus of the governmental fund financial statements.

Capital Outlay and Depreciation Differences

Capital outlays are reported as expenditures in the statement of revenues, expenditures and changes in fund balances. They are reported as capital assets, with the costs allocated over the useful lives of the assets, as depreciation, in the statement of activities. The details of these differences are reported below:

Capital Outlay	\$ 35,281
Depreciation Expense	(10,716)
Net Difference	<u>\$ 24,565</u>

Long-Term Debt Issuance and Repayment Differences

When long-term debt is issued it is reported as an other financing source. Repayments are reported as expenditures in the statement of revenues, expenditures and changes in fund balance. Issuance of debt is reported as long-term liability and repayments are reported as reductions to those liabilities in the statement of activities. The details of these differences are reported below:

Repayment of Debt	<u>\$ 71,924</u>
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NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Budgetary procedures for the District have been established by Utah State Statute in the Fiscal Procedures Act for Utah Counties, (the Act). The Act requires counties and special districts formed by counties to adopt annual budgets. The basis of accounting applied to each fund budget is the same basis as the related fund's financial statements. In accordance with State law, all appropriations lapse at the end of the budget year, accordingly, no encumbrances are recorded. At its option the District may permit its expenditure accounts to remain open for a period of 30 days after the close of its fiscal year for the payment of approved invoices for goods received or services rendered prior to the close of the fiscal year. The District prepares a budget for the general fund.

Under Utah State law, the District's budget establishes maximum legal authorization for expenditures during the fiscal year. Expenditures are not to exceed the budgeted amounts, including revisions, except as allowed by the code for certain events. A public hearing must be held to increase the total appropriations the governmental fund.

For the year ended December 31, 2006 the District's expenditures exceeded its budget.

NOTE 3 - (CONTINUED)

Tax Revenues

Property taxes are collected by the County Treasurer and remitted to the District in two to three installments in November, December and a final settlement in the first quarter of the calendar year. Taxes are levied and are due and payable on November 1st and are delinquent after November 30th of each year, at which time they become liens if not paid. An accrual of uncollected current and prior year's property taxes beyond that which was received within 60 days after the fiscal year end has not been made, as the amounts are not deemed to be material.

NOTE 4 - CASH AND INVESTMENTS

The District maintains a deposit and investment pool. Cash includes amounts in demand deposits as well as time deposits. Investments are stated at cost or amortized cost, which approximates fair value. Deposits are not collateralized nor are they required to be by State statute.

Deposits and investments for District governments are governed by the Utah Money Management Act (*Utah Code Annotated*, Title 51, Chapter 7) (The Act) and by rules of the Utah Money Management Council (the Council). Following are discussions of the District's exposure to various risks related to its cash management activities.

Custodial Credit Risk

Deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be recovered. The District's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the District to be in a *qualified depository*, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. As of December 31, 2006, \$64,360 of the District's bank balances of \$164,360 were uninsured and uncollateralized.

NOTE 5 - CAPITAL ASSETS

This schedule presents the capital activity of the governmental activities for the year ended December 31, 2006.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Capital Assets not being Depreciated</u>				
Land	\$ 255,273	\$ -	\$ -	\$ 255,273
<u>Capital Assets being Depreciated</u>				
Improvements	280,543	28,280	-	308,823
Equipment	167,693	7,000	-	174,693
Less Accumulated Depreciation	<u>(367,503)</u>	<u>(10,715)</u>	<u>-</u>	<u>(378,218)</u>
Capital Assets, Net	<u>\$ 336,006</u>	<u>\$ 24,565</u>	<u>\$ -</u>	<u>\$ 360,571</u>

NOTE 6 - LONG-TERM DEBT

The following is a summary of changes in long-term debt of the District for the year ended December 31, 2006:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Notes Payable					
Zions Bank	\$ <u>210,000</u>	<u>-</u>	\$ <u>51,924</u>	\$ <u>158,076</u>	\$ <u>18,894</u>
	\$ <u>210,000</u>	\$ <u>-</u>	\$ <u>51,924</u>	\$ <u>158,076</u>	\$ <u>18,894</u>

Long-term debt and obligations payable at December 301, 2006 were as follows:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Current Portion</u>	<u>Long-term Balance</u>
Zions Bank Note Payable (original amount--\$210,000)	4.91%	2015	<u>18,894</u>	<u>139,182</u>
			\$ <u>18,894</u>	\$ <u>139,182</u>

Principal and interest requirements to retire the District's long-term obligations are as follows:

	<u>Principal</u>	<u>Interest</u>
2007	\$ 18,894	\$ 7,762
2008	19,833	6,834
2009	20,818	5,860
2010	21,853	4,838
2011	22,939	3,765
2011-2015	<u>53,739</u>	<u>4,310</u>
	\$ <u>158,076</u>	\$ <u>33,369</u>